Paola Avallone, Donatella Strangio (eds.), *Different Forms of Microcredit and Social Business: Microfinance in Global History from the Late Medieval to the Modern*, London, Palgrave Macmillan, 2024, pp. 359.

This volume, edited by Paola Avallone and Donatella Strangio, and published in the Palgrave Studies in the History of Finance series, is a significant contribution to the literature on microcredit systems designed for individuals excluded from traditional credit circuits. In a research field often characterised by sectoral and temporally limited studies, this volume offers a new, diachronic and comparative investigation on microfinance across different historical periods and geographical contexts. Given that microfinance and microcredit issues remain highly relevant in today's economic landscape, particularly in the light of the growing economic and social inequalities driven by current globalisation, it is crucial to deepen and strengthen research in this field.
The comparative historical perspective makes a decisive contribution to the understanding of financial instruments that predate the devel-

opment of modern banking systems. Historical cases and experiences discussed here bring back to the fore issues such as religious values, friendship, altruism, charity, public intervention, inclusion of less fortunate people and opportunities for alleviating the conditions of poor or less poor. The volume insists more on the value of personal relations than on formal arm's-length transactions. The forms of credit analysed in this study shed a different, less negative light on the concept of credit.

The book is organised into three sections – The Microcredit, The *Monte di Pietà*, and The Microfinance – that facilitate the understanding of how these credit practices evolved. All the analyses draw upon diverse original sources, including accounting and institutional documents, which enhance the interpretative perspective.

Since the introduction, the Editors clarify how microfinance is neither a contemporary phenomenon nor a mere response to the access barriers of the modern banking system. The informal credit and pawn broking practices that emerged in pre-modern societies developed as endogenous responses to the needs of individuals excluded from official credit circuits, spanning similarly through places and centuries.

The following historical case studies illustrate how microcredit and microfinance acted as catalysts for social inclusion and stability. The diverse examples documented in the volume illustrate the intricate nature of these practices and their enduring relevance in contemporary developing economies.

The thematic structure traces an epistemological trajectory, beginning with the origins of historical microcredit practices, moving through the establishment of the *Monti di Pietà* as philanthropic institutions, and culminating in modern-day microfinance activities.

The initial section, entitled The Microcredit, includes six contributions. This part examines a range of informal credit practices, demonstrating how local communities have devised endogenous solutions to address the financial needs of their members. The analysis starts with an examination of the Japanese Tanomoshi system, as conducted by Hiroshi Niki, which exemplifies a cooperative credit mechanism that was pervasive among artisans and merchants in 16th-century Kyoto. This system, which originated in Buddhist temples, operated through mutual aid groups that implemented collective financing mechanisms. These can be considered as a proto-microfinance manifestation based on the principle of reciprocity, which aimed to support the economic activities of individuals who were otherwise excluded from traditional forms of credit.

The section continues with the study by So Nakaya on medieval Tuscany, which examines the role of shopkeepers as microfinance providers in urban contexts. The original archival documents show the existence of unsecured microcredit, based on a fiduciary paradigm, functioning as a crucial support for economically vulnerable social classes. The archives of Prato provide for a comprehensive account of these transactions, demonstrating how merchants effectively assumed the role of popular credit intermediaries, supporting the daily financial needs of families facing economic challenges. This microcredit model illustrates the existence of a proximity economy based on relational networks rather than on asset collaterals.

The third contribution by Tawny Paul examines how the English Financial Revolution transformed credit practices. The securitisation of public debt had a significant impact on both economic structures and credit culture. The emergence of a public debt market, established to fund imperial ventures and military expenses, fostered the development of a culture of personal debt negotiability. This led to the formation of a secondary market that extended beyond the scope of conventional commercial requirements. In the context of the Financial Revolution, public debt acquired new economic functions even among the subaltern classes, providing a means of subsistence for specific categories, such as sailors and soldiers, who were able to monetise their wage credits.

While the English model developed around public debt securitisation, alternative approaches to financial inclusion emerged in the Ottoman Empire. In their study of Ottoman cash *waqfs*, Mehmet Bulut and Cem Korkut demonstrate that the financing system was based on Islamic principles. The *waqfs* provided Muslim entrepreneurs with access to credit at interest rates that were not usurious, thereby supporting the local economy without the involvement of conventional banking institutions. The archival documentation of the Ottoman period shows how these religious foundations exerted local control over credit while promoting sustainable microenterprise development through the application of Islamic finance principles.

The following contribution examines the dynamics of urban financial innovation in Southern Italy, moving beyond the context of the religious-based credit systems that were in place in the Ottoman Empire. Paola Avallone and Vittoria Ferrandino investigate the interest-bearing pawn loans provided by Neapolitan public banks, including the two *Monti di Pietà*. The authors' analysis illustrates how the processes of urbanisation and population growth in 18th-century Naples had a transformative impact on the economy, influencing its trajectory towards monetisation and giving rise to an economic shift characterised by a novel discourse on wealth and power. Despite the limited availability of silver, currency and trade became central to the Neapolitan economy and culture during the rapid development that characterised Charles of Bourbon's reign. The scarcity of currency was a defining factor in the context of pawn loans offered by Neapolitan banks, setting them apart from the earlier practices of the *Monti di Pietà*.

The section concludes with an analysis of consumer credit in Buenos Aires between the 17th and 19th centuries, by Martín L.E. Wasserman and Julián Carrera. In the absence of banking institutions, local shopkeepers played a pivotal role as credit providers, offering neighbours financial assistance for essential goods such as food and clothing. In contrast to the formal notarial loans utilised by prominent merchants, this informal credit system catered to the everyday necessities of the general populace, reinforcing local social connections while mirroring the community's economic circumstances.

The second part of this book, entitled *The Monte di Pietà*, includes four contributions. The initial study by Lidia Cotovanu on microcredit in the Principalities of Wallachia and Moldavia examines the context of credit in societies devoid of formal credit institutions. In an agrarian and patriarchal society with constrained urban space and an almost absent bourgeoisie, the credit market was dominated by merchants and was accessible primarily to socioeconomic élites. Monasteries, which offered pawned loans at reduced rates for moral reasons, constituted an alternative credit source, albeit one that was marginal in comparison to the Western Catholic *Monti di Pietà* model. The research investigates the pivotal role of solidarity networks, comprising family members, neighbours and business associates, who extended forms of informal non-contractual credit to support economically vulnerable individuals.

The second investigation on the *Monti di Pietà* in Augsburg and Nuremberg, authored by Tanja Skambraks, reveals the adaptation of the Italian model to the Germanic context. The establishment of German *Monti* during the Reformation and Counter-Reformation period was significantly influenced by confessional dynamics and local specificities, thereby demonstrating the flexibility of credit institutions in relation to sociocultural contexts. The research demonstrates that German *Monti di Pietà* retained a fundamental social function while exhibiting distinctive characteristics compared to their Italian counterparts.

In the subsequent contribution, Maria Rosaria De Rosa analyses the competition between Naples' *Monte di Pietà* and private banking institutions in the microcredit market, with a particular focus on the provision of pawn loans to the "less fortunate class" during the summer of 1903. The appearance of women as active participants in the credit market is of particular importance, with instances of women managing private lending activities. The competition between public and private institutions in the microcredit segment provides evidence of the dynamics of credit in an economically vibrant urban context such as Naples.

The second part of the book is concluded by Donatella Strangio's analysis of Rome's *Monte di Pietà*. The *Monte di Pietà* was established in 1539 by Giovanni Calvi, a commissioner of the Franciscan Order, with the approval of Pope Paul III. Its purpose was to provide accessible credit as an ethical alternative to usury. This chapter employs original archival sources to trace the expansion of the Monte's operations from the 16th-century onwards. The analysis highlights not only the ethical foundations but also the pivotal countercyclical function that pawn broking fulfilled in the lower echelons of the market. This function is examined from both economic and political perspectives, given the *Monte*'s considerable, though indirect, political sway. The accessibility of affordable credit from the *Monte* was instrumental in upholding social cohesion, preventing internal strife and managing social tensions.

The concluding section, entitled The Microfinance, comprises four contributions. This part examines the evolution of microcredit towards more structured and institutionalised microfinancial systems. The initial study, conducted by Céline Mutos Xicola, examines the financial practices of 18th-century Catalan charitable institutions with regard to the provision of microcredit to local communities. Resorting to perpetual censals, these entities operated as intermediaries in the rural credit market. The accounting documentation from Catalan hospitals and dioceses used by the author provides evidence of the systematic management of this capital and of the role played by ecclesiastical institutions in promoting a solidarity-based economy.

The credit dynamics in rural communities in pre-industrial France are addressed by Elise M. Dermineur's study, which demonstrates that poverty was mitigated through the operation of solidarity networks. Economically vulnerable families were able to access support through an informal credit system that enabled them to manage their daily necessities. The analysis examines the ways in which rural communities developed intricate economic support structures for marginalised individuals in the absence of formal institutions.

The third research study, conducted by Daniel Reupke, employs the notarial debt certificates as a privileged source to examine the evolution of credit institutions in rural Saar-Prussia during the 19th century. Prior to 1820, loans were predominantly provided by private individuals. However, by 1870, the savings banks (*Sparkassen*) had emerged as the dominant force in the credit market. During this period of transition, Reupke identifies three semi-institutional forms: the *Bauern-Bankier* (farmer-bankers), who acted with the professionalism of banks; the *fabricae ecclesiae* or "church factories", which lent small sums derived from rents; and mutual aid organisations, such as cooperatives or pension funds, which met the financial needs of rural populations. In accordance with Niklas Luhmann's theory, Reupke examines the transition from a system based on personal trust to one based on institutional trust, which paved the way for the emergence of *Sparkassen* as formal credit institutions.

The final chapter, authored by Sabrina Iannazzone and Alija Avdukic, provides a concluding summary of the book. The chapter examines the "*sanduq*" model (a charity savings box) as an innovative microfinance system that has the potential to promote socio-economic development in low-income rural areas. A case study of Jabal al-Hoss, one of Syria's poorest regions prior to the civil war, is used to investigate how the integration of microfinance and philanthropy via the *sanduq* model can improve conditions for the most vulnerable populations. The *sanduq* has traditionally been used in numerous Muslim-majority countries as "*sadaqah*" (voluntary charity), with the funds generated being used to support essential services such as healthcare, education and food access. This study presents a framework for reconciling charitable practices with local microfinance institutions, with the objective of promoting social justice and community empowerment. The primary objectives are to ascertain the efficacy of the *sanduq*, which is rooted in the Islamic moral economy, as a means of alleviating poverty, both within and beyond Muslim communities, and to examine its potential applications in business contexts beyond the traditional domain of charity. The analysis employs an inductive and interpretive approach, combining a review of the literature on conventional and Islamic financial practices with qualitative interviews with individuals who have first-hand experience using the *sanduq*.

The book *Different Forms of Microcredit and Social Business* is not merely a comprehensive examination of the microcredit case studies; it fixes a methodological link between economic history and contemporary social issues, offering a multifaceted perspective on the evolution of inclusive financial instruments. The heuristic value of this book lies in its capacity to correlate experiences that are both historically and geographically distant, thereby demonstrating how microcredit, in its various manifestations, responded adaptively to the socioeconomic needs of different communities. The contributions provide a wide-ranging reading of financial practices that have been previously considered as marginal, and demonstrate the central role they played in the economic development of different countries.

This volume prompts reflection on the cultural and moral roots of finance. It challenges the basic assumption of self-interest in finance, as a rational behaviour finally aimed at maximising profit. The recurrent reference to networks is relevant since networks can explain how relationships worked in raising funds and in controlling the direction of credit, well before credit institutionalisation.

The historical perspective highlights the function of microcredit as a means of economic and social justice. The ethical dimension of credit, which emerges as a recurring theme throughout the study, does not merely refer to the historical roots of ethical finance. Instead, it invites a reconsideration of contemporary financial institutions according to principles of equity and accessibility, which are particularly relevant in contexts of economic vulnerability.

The book well exemplifies the transformation of microfinance institutions, tracing their evolution from basic welfare mechanisms to sophisticated financial systems, encompassing a broad spectrum of services (i.e. from credit and deposits to insurance and innovative financial tools). As for microcredit, the research extends beyond individual case studies to examine its broader role in economic empowerment. Its adaptability in addressing economic challenges through diverse solutions was key to transforming its original role as a financial tool in a more complex social phenomenon able to strengthen economic resilience and foster community networks.

In conclusion, this book can be considered as a reference for researchers, economists and historians, as well as for scholars more generally interested in understanding the roots and potential of microcredit and microfinance as tools for sustainable finance.

The book opens new avenues for inquiry into inclusive finance, highlighting the interconnections between the historical trajectory of microcredit, the struggle against inequalities, and the advancement of an equitable economic paradigm.

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